

2525, as it was in the 106th Congress, is bipartisan, cosponsored by the gentleman from Minnesota (Mr. PETERSON), my Democrat colleague.

This is a serious proposal supported by academic research from Harvard, Stanford, Boston University, MIT, and more, and it is a popular proposal being supported by the over 400,000 members of Americans for Fair Taxation, and having had nearly \$20 million privately raised and spent on economic and market research to support this effort.

Mr. Speaker, let me tell my colleagues what we discovered. There is not a mechanism for a business to pay a tax. I have had several businesses in my life, and I never had that secret drawer where money piled up behind me to pay the corporate share of the payroll tax, the corporate income tax, or the accountants and attorneys to avoid the tax. It all gets embedded in the value of the product that is purchased by consumers, and the only taxpayers in the world are consumers who finally consume the product and all of the taxes embedded in it. Research we have had done at Harvard's economics department suggests that 22 percent of what one pays for at retail for personal consumption is the embedded cost of the IRS.

My friends, a fair tax is a national retail sales tax with a rate of 23 percent. You will pay 1 percent more for your cost of living, but you will get to keep your whole check, the whole check, including the payroll tax will no longer be taken out.

By authorizing this one sales tax, we will eliminate the personal income tax, the business income tax, the payroll tax, the death tax, the capital gains tax, the self-employment tax, and the gift tax. And, in doing so, we eliminate the IRS and all of its associated problems.

If anyone read this morning's Washington Post, Treasury Department employees, acting as citizens, making phone calls to the IRS helpline to get help with tax returns, tell us that 47 percent of the responses they received from the IRS people were in error. That is up from 25 percent 4 years ago. But our Treasury Department in which the Social Security resides tells us that 47 percent of their responses are wrong. They do not understand the system. It is time for it to go away.

I believe that the time for tax reform has come. While I certainly believe that the fair tax is the best change, I believe we should have an open debate on others. I am willing to talk about the flat tax. It is better than the current system. I also believe that we virtually passed the flat tax in 1986 with only two levels of taxation and eliminating many of the deductions, and we have amended it 6,000 times since then. For as long as we know something about you and where you make your income and how much you make and how you spend it and invest it, we can find ways to tax it. America deserves this debate so we can totally revamp the system.

Mr. Speaker, it has been said that the sales tax is regressive and hits most heavily on the poor. I want to say that the poor are paying it. Everything that anyone, rich or poor, buys has a 22 percent burden of the embedded cost of the IRS. Getting rid of the IRS will undo that burden. We also provide a rebate at the beginning of every month, for every household, rich or poor, to offset the entire tax consequences of spending up to the poverty line. The Federal Department of Health and Human Services tells us that poverty-level spending, which is \$8,500 for a household of one or \$25,000 for a household of 5, will be enough spending to provide the necessities, the essentials of living, food, clothing, health care, housing. We believe that anyone should be able to buy those essentials with no tax consequences, and our rebate will cover those.

Mr. Speaker, if anyone is interested in becoming a part of this effort, contact me or the gentleman from Minnesota (Mr. PETERSON). We cannot change this world alone, but with the help of our colleagues and the enthusiasm of America, we will.

SUPPORT THE MENTORING FOR SUCCESS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. KELLER) is recognized for 5 minutes.

Mr. KELLER. Mr. Speaker, I rise today in support of the Mentoring for Success Act which we filed earlier today. This bill authorizes \$100 million for competitive grants to be allocated by local school districts and nonprofit community-based organizations for the purpose of starting up mentoring programs for high school students, to encourage them not to drop out of high school, to reduce their involvement in gangs, and also to improve the performance for children, elementary and middle schools.

The chief sponsor of the Mentoring for Success Act is the gentleman from Nebraska (Mr. OSBORNE). I am proud to be the original cosponsor of this important legislation.

I would like to address just three points today. First, I would like to talk a little bit about the background of the sponsors of this bill and why it is so important to us. Second, I would like to talk about the educational benefits of this bill. Third, I would like to talk about the crime prevention benefits of this bill.

First, with respect to the sponsor of this legislation, there is probably no Member of Congress who has had more success with mentoring young people than the gentleman from Nebraska (Mr. OSBORNE), a former coach.

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Coach Osborne led the Nebraska Cornhuskers football team to three national championships, and he has the winningest coaching record in the history of college football.

As for me, my background in this area is far more humble than Coach Osborne's. However, I did have the privilege of serving as the volunteer Chairman of the Board of the Orlando-Orange County Compact Program, the largest mentoring program in the State of Florida. I also had the privilege of serving as a mentor myself to two students at Boone High School in Orlando, where I attended.

I have been a big believer in mentoring programs since I was a small child. Back when I was in elementary school, my mom, who was a single parent, thought it would be a good idea for me to have a mentor. She went down to the Big Brothers Big Sisters organization and arranged for me to have a mentor.

My mentor throughout my childhood was a man named Tom Luke. Tom has worked for the Orlando Sentinel, which is a local paper in Orlando, Florida, for the past 28 years as their manager of the computer services department.

Tom, along with my mom, played a very key role in mentoring me as a child. They are, in large part, responsible for whatever success I may have today.

Mr. Speaker, I would now like to address the educational benefits of the Mentoring for Success Act, particularly as it relates to preventing children from dropping out of high school.

In my home State of Florida, we had a big problem: Only 53 percent of our children were graduating from high school. So we in the Orlando area decided to do something about it. We created what is known as the Orlando/Orange County Compact Program. That is a mentoring program that matches up students who are at risk of dropping out of public high schools with mentors from the business community who work with these young people 1 hour a week. It is sort of like a Big Brothers Big Sisters program.

The results from this mentoring program have been dramatic. Over the past 10 years, 98 percent of the children in the Compact Program in Orlando have graduated from high school, the number one graduation rate in the United States. Let me give just one example of how this program is successful, because this is exactly the type of program that the Mentoring for Success Act seeks to create.

There was a young 18-year-old African American man named Lenard who was attending Jones High School, which is an inner city school in Orlando. Lenard was struggling in school. He was making Ds and Fs. He was skipping school. He had been arrested for selling drugs. He announced that he was intending to drop out of school.

Lenard agreed to be in the Compact Program on one condition. He said, Just do not give me a white mentor. Naturally, we assigned Lenard a white mentor, an AT&T executive named Paul Hurley. To make a long story short, Lenard's mentor developed a friendship with him, and met with him

every week. By Lenard's senior year, he went on to become Orange County's student of the year.

In his senior year, Lenard won a raffle at Jones High School. The winner got two tickets to the Orlando Magic basketball game, great seats. He called his mentor and said, "Hey, I just won two tickets to the Orlando Magic game tonight." His mentor replied, "That is great. Why don't you ask your best friend?" Lenard said, "That is why I called you." Mentoring makes a difference, one child at a time.

Finally, I would like to discuss the crime prevention benefits of this important legislation. In Florida, 70 percent of the inmates in our jails and prisons are high school dropouts. It costs the taxpayers \$25,000 a year for each of these prisoners in our Federal prisons, compared to only \$5,000 a year to educate a child in the public schools.

Clearly, making this small investment in mentoring now will save us hundreds of millions of dollars down the road in reduced prison and welfare costs.

In summary, the Mentoring for Success Act sponsored by Coach Osborne and myself will make a meaningful difference in the lives of young people, will improve education, will prevent crime, will save us money, and I urge my colleagues to cosponsor this legislation and vote yes on this important bill.

APPOINTMENT OF MEMBER TO PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER pro tempore (Mr. GRAVES). Without objection, and pursuant to clause 11 of rule X and clause 11 of rule I, the Chair announces the Speaker's appointment of the following Member of the House to the Permanent Select Committee on Intelligence to fill the existing vacancy thereon:

Mr. PETERSON of Minnesota.

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SHIPBUILDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. SKELTON) is recognized for 5 minutes.

Mr. SKELTON. Mr. Speaker, events are once again turning the world's eyes to the Pacific. Indonesia continues to be unsettled. North Korea is abandoning its move towards conciliation. And every American is aware of the provocative actions recently undertaken by China in holding 24 Americans captive.

Secretary Rumsfeld has stated that this administration will put a new emphasis on the Pacific. That is wise. But to carry out that intention across such a broad expanse of water will require ships.

Demand for naval forces has not gone away with the Cold War; it has increased. Yet, at current build rates, the overall fleet will sink below 300 ships before the decade is out, on a course for Davy Jones' locker. We are already missing missions today. How dire will the situation be with a 200-ship fleet?

I am not much given to dramatic statements, Mr. Speaker, but let me say this clearly: America should rebuild its Navy, and we should begin now.

To rebuild requires far more than simply stabilizing the size of the fleet. The Navy does not get anywhere by treading water. Instead, we have to reverse the trend in shipbuilding. A wise man used to say that the Navy is moving to a smaller fleet to meet its worldwide commitments, but the world is just as wide. That man's name was Norman Sisisky, and nobody in this House, nobody was more dedicated to reversing the trend in shipbuilding than our good friend from Virginia.

By the way, I believe that "Norman Sisisky" would make an excellent name for a capital ship.

Why build more ships? Because it is presence, American presence, that helps avoid war: presence in peacetime, at pierside, showing our allies tangible proof of American support; and presence in the theater, exercising, working with allied navies, and serving notice to all that America is not thousands of miles away, it is just over the horizon. Naval presence is an open hand that can quickly become an iron fist should the need arise.

We can focus on the Pacific all we like, but maintaining a strong naval presence there requires more ships than we have now. Then, what of our commitment to Europe, the Atlantic, the Mediterranean, the Middle East?

Ships require sailors. Sea duty is hard and challenging. It can be heart-breaking. The sailor is the backbone of the Navy. While some question whether sea duty is still that service's highest calling, there is no doubt in the mind of this son of a sailor that it should be.

It is not just the duties at sea that make the sailors so valuable, it is their presence in foreign ports, showing citizens around the world that Americans are open, friendly, and interested in their country. That is as much a benefit of naval presence as the speedy response to crises that may emerge.

A rebuilt Navy should be able to operate from shoreline to shoreline, on the surface, above, and below. That will require a range of ships: small ships, to operate in close; medium ships, to provide cover for the smaller ships in shore, but able to keep station with battle groups as needed; submarines, capable of operation in all waters and able to carry land attack missiles and support special operations forces; and heavy capital ships, to maintain freedom of the seas.

Ships do not just happen, we must build them. We must equip them. We must provide a trained and ready crew. That all takes resources and commitment, resources from Capitol Hill and a commitment, beginning with the CNO and including every sailor in the fleet.

That is why a larger Navy must be in the budget from the start, particularly this year. The Navy cannot rely on Congress to add money above the top line to make up for its own budget shortcomings. For years, we in Congress added money to the administration's defense budget. I do not believe that we will so readily revise the new administration's plans.

But I do not doubt that with support in the administration budget, Congress will follow. As Members of Congress, the purse is our responsibility. Without a doubt, ships are expensive. Building more ships is more expensive, but not being where we are needed when we are needed there is the most costly of all.

I believe in my heart that one ship flying the American flag alongside one foreign pier makes friends, warns enemies, and ultimately reduces the need to send many more ships out on the high seas.

To provide presence, we need hulls. To engage in littoral, we need hulls. To do the job we ask the Navy to do, we need hulls.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

(Mr. JONES of North Carolina addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

URGING MEMBERS TO SUPPORT LEGISLATION TO CLARIFY LAW REGARDING FUNDRAISING BY NONPROFIT ORGANIZATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. EHRLICH) is recognized for 5 minutes.

Mr. EHRLICH. Mr. Speaker, I rise today to announce the introduction of legislation that would help clarify the law regarding fund-raising by nonprofit organizations.

I want to first recognize and thank the gentleman from Indiana (Mr. BURTON), the chairman of the Committee on Government Reform, who is sponsoring this bill with me for his leadership on this important issue.

Congress recognized the many important and worthwhile activities of nonprofits by establishing a nonprofit mail